

Schaefer, Christina

From: Cynthia Eisenhauer [Cynthia.Eisenhauer@idom.state.ia.us]
Sent: Thursday, February 15, 2001 12:58 PM
To: Christina Schaefer
Cc: Neal Schuerer; Scott Raecker
Subject: Admin. and Reg. Subcommittee Budget Request

Christina,

Thank you for the opportunity to have input into the subcommittee's effort to identify potential spending reductions in the current fiscal year. I certainly understand the difficulty of the subcommittee's task in light of the following conditions:

- * just one year ago, departments experienced \$19 million deappropriations from their budgets,
- * during the current year, departments are having to absorb \$23 million in unanticipated insurance premium increases
- * this year, too, departments are having to absorb huge increases in their heating bills
- * departments are experiencing more demand than ever for their services
- * a five percent cut in the last five months of the fiscal year equals a 15% cut in operating budgets
- * since salaries comprise more than 80% of department operating budgets, layoffs would most likely occur; collective bargaining agreements require 60 days notice before layoffs are implemented
- * departments like the department of revenue and finance and the department of management have requested no increases in their budgets in recent years, and have instead had our budgets reduced with no reduction in statutory requirements or customer expectations

I'm sure you understand how talk of across the board (ATB) spending reductions strike fear in the hearts of department directors like me, because most often the biggest pieces of the GF pie (school aid and entitlements like Medicaid) are exempt from the ATB, making the rest of us absorb the entire spending reduction. The total operating budgets of state government administrative departments is only 1.8% of the GF pie! I have shared my hope with the subcommittee that it's leadership would be a champion for strong administrative systems in state government.

Now, to respond directly to your request.

As part of my budget presentation to the subcommittee last month, I included (on page 2 of the handout) the following list of services provided by the department of management and their corresponding Code sections. In order to describe the impact of a 5% reduction in my FY01 budget, please indicate which services the subcommittee would like us to reduce or eliminate.

- * support the legislative budget process (8.6)
- * forecast and track revenue (8.6; 8.22A)
- * create and manage local budget systems (8.6)
- * coordinate Appeal Board claims and payments (24.26)
- * manage the salary projection model (8.6; Ch 1219 (16) 2000 session laws)
- * provide budget technical assistance to departments (8.6)
- * create and manage enterprise budget and finance systems (8.6)

PERSONNEL SERVICE OBLIGATIONS

The following personnel related costs must be covered by the \$77,845 projected balance on the personnel services expense line.

- DONATED LEAVE

Since the start of the fiscal year, one of the department's employees has been on donated/paid leave while undergoing cancer treatment. The department is utilizing temporary employees to do the work of the employee on donated leave.

\$ 23,938

- LOCAL GOVERNMENT SUPPORT STAFF

The legislature cut a position that helps support the local government functions of the department. Temporary staff has been utilized as needed to help maintain support.

\$ 16,500

- POSITION UPGRADES

This fall, IDOP reviewed and upgraded the classifications of two employees who were at the top of their range for their prior classification.

\$ 2,614

- SOFTWARE DEVELOPMENT

Actual costs have exceeded budgeted amounts for development of software programs to assist local governments with filing their budgets and property valuations. \$44, 826 has been billed to date, \$14 826 more than budgeted. The department projects billings for an additional \$13,000.

\$ 27,826

- GRANTMINING

Start -up costs to establish a grantmining network to leverage additional federal funds

\$10,000

Total \$80,878.